

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 919 – SB 912**

March 31, 2015

**SUMMARY OF ORIGINAL BILL:** Increases from 15 to 30 days the time period for which a municipal legislative body shall provide notice of a public hearing prior to enacting or amending any zoning ordinance.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (005093):** Deletes and rewrites the bill in its entirety. Creates a presumption that the use to which a business establishment operates was permitted prior to any zoning change, land use restriction, or redevelopment plan, if the business establishment paid taxes over the three consecutive years preceding a request for permission to expand, rebuild, or construct additional facilities.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Forgone Local Revenue - Exceeds \$50,000**

Assumptions for the bill as amended:

- This amended bill only impacts local governments; therefore, no impact to state government.
- Pursuant to Tenn. Code Ann. § 13-7-208(b), existing businesses in areas of zoning change may continue to operate provided that no change in the use of the land is undertaken by such industry or business.
- To the extent any business entity's ability to expand, rebuild, or construct additional or new facilities is prevented or hindered because such business entity hasn't operated in a specific location, nor paid taxes for a specific location in the last three tax years prior to any request for expansion, local government could experience forgone property tax revenue.
- Local housing authorities report that limiting their ability to restrict activities in redevelopment zones could inhibit their ability to ensure investors of the type of establishments that will be present in formerly blighted development districts; as a result, this could reduce the extent of investment into these areas that would have otherwise occurred, and as a result, local governments would forgo unknown amounts of property tax revenue.

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- A precise amount of forgone local revenue cannot be determined because such impact would be dependent upon future investment decisions and future property tax assessments; however, forgone local revenue is reasonable estimated to exceed \$50,000 per year statewide.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style.

Jeffrey L. Spalding, Executive Director

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